



25 April 1980

MEMORANDUM

LIBERIA: THE CURRENT SITUATION

The security situation in Monrovia remains relatively calm. The executions this week of 13 former government officials did not lead to any civil disturbances in the country, rather there were celebrations by the indigenous population. The reaction, however, among the American-Liberians, the former ruling elite, and expatriates and members of the business community was one of shock and grave concern over the intentions of the new military government. [redacted]

We have conflicting reports on the possibility of additional executions. At least some members of the ruling military group (known as the People's Redemption Council) apparently are acknowledging that more executions will not serve any useful purpose. Two officials of the PRC told the Embassy political officer on Thursday that only jail sentences would be handed down from now on, although they still defended the executions that had taken place. [redacted]

[redacted] some members of the PRC want to continue to "clean house." They apparently argue that while international opinion has been negative, the domestic reaction was favorable. Civilian members of the cabinet had tried all along to prevent draconian measures but failed to convince the military. Most civilian officials did not receive advance word of the executions and were shocked and disappointed. The military tribunal has refused thus far to continue its hearings, upset that their original recommendation for only four executions was overruled by the military council. It appears now that the debate over further executions is between both military and civilian officials counseling moderation and the hardliners; Doe's position and the extent of his influence are unknown. [redacted]

This memorandum was prepared by [redacted] Africa Division, Office of Political Analysis with a contribution from the Office of African Research. It was coordinated with the Directorate for Operations, Plans, and Logistics and may be addressed to Chief, Africa Division, OPA, [redacted]

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Whether or not further executions are carried out will reflect the degree of influence of the moderates and may signal the future orientation of their government. Should the executions continue Americo-Liberians, whose administrative expertise in civil service is vital to many governmental functions, would probably attempt to flee the country. The exodus of foreign personnel, who operate businesses and provide technical know-how, would have an adverse impact on Liberia's already strained economy.

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Safety of Americans

The US Ambassador believes Americans are safe for the time being, but he feels that the situation is tenuous and has recommended that emergency and evacuation planning should continue on an urgent basis. Among his concerns in the wake of the executions were the continued uncertainty over discipline in the army and the "appallingly low level of literacy and understanding" among the soldiers running the country. A slow reduction of the American presence has begun, mostly among members of the business community who are sending their dependents out of the country.

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There is no indication that the new government's desire to maintain close and friendly relations with the US has changed. Embassy officials have daily contact with the authorities concerning the safety of American citizens and receive assurances of cooperation. In handling individual security situations the Liberian officials have responded with the necessary support to bring the situation under control and have cooperated in securing the release of American citizens detained outside the Monrovia area.

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Foreign Minister Matthews has recently again requested emergency medical supplies--which US officials are trying to arrange as a grant. Following up on earlier requests for military assistance, he also noted that the Ministry of Defense was compiling a list of requirements, costing about \$1.4 million. In previous conversations about military assistance, some officials have emphasized the importance of US assets in the country--key civil and military communications facilities and large private US investments. Although the new government probably has not yet focused specifically on the future of these facilities, the implication is that the leaders would be willing to use them to pressure the US into responding to their demands.

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Other Problems Facing New Government

The most immediate task facing the new leaders is to restore public confidence that the government is in control. At this time, they would be hard pressed to contain any widespread unrest. The command structure of the army broke down as a result of the coup, and has not been effectively

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restored. Major military units still cannot communicate with one another, and the transportation capability is poor. Traditional lack of discipline among the enlisted ranks is still very much evident. [REDACTED]

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Other underlying problems affect the longer-term stability of the regime. Sgt. Doe has not yet displayed any ideological leanings, but his cabinet is a diverse group of military men, former opposition leaders, and holdovers from the old government. Rivalry between the civilians and military appears inevitable. The civilians themselves represent two left-leaning groups whose only common goal was a desire to replace the Tolbert government. They can be expected to begin jockeying for positions of power in a civilian government that they believe will ultimately replace military rule. Tribal rivalries within the military have already surfaced and are a potential serious threat. The ruling council is composed mainly of men from Doe's tribe--a minority group in the army. Doe reportedly has resisted demands to broaden the membership. [REDACTED]

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LIBERIA: Current Economic Situation

Liberian economic activity appears to be nearly back to normal, and the imminent arrival of rice shipments may remove the worst short-term threat to the new regime. Nevertheless, public hoarding of banknotes, emigration of Lebanese merchants, and the risk of pull-outs by foreign investors continue to frustrate the government's efforts to come to grips with its problems. [REDACTED]

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Banks and most shops have been open since 16 April and transport, industry, and the bureaucracy are functioning again. The threat of food shortages appears to have been overcome by arrangements to divert a ship carrying rice for Abidjan to Monrovia. Supplies of gasoline and other petroleum products, with the possible exception of imported aviation gas, are sufficient. [REDACTED]

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After a period of turmoil, most foreign-owned enterprises are working normally. Nevertheless, many dependents of expatriate workers are leaving the country in the wake of the initial violence which directed harassment against most foreigners as well as prominent Americo-Liberians. Foreign companies are reconsidering the status of their operations, any pull out would eliminate badly needed jobs and cut government revenue. Furthermore, a possible large-scale emigration by Lebanese, who make up the core of Liberian commerce, would certainly hamper retail trade. [REDACTED]

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Restrictions on bank withdrawals, although rumored to be relaxed soon, have already exacerbated currency hoarding and led to cash shortages. Major firms, which meet payrolls in cash, are seeking exceptions to the rule in order to prevent violence from unpaid workers. Cash flow problems and general uncertainty have deterred merchants from re-ordering goods, setting the scene for future shortages. Currency restrictions are also impeding the import of vital consumer goods. [REDACTED]

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Wage and price policies of the new government show little sign of being well thought out. As one of his first official acts President Doe nearly doubled the pay rate for army privates. A committee has been scheduled to examine pricing of locally produced commodities and announce some price cuts. Higher salaries and any increases in government subsidies will place a major strain on the Liberian budget. [REDACTED]

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